



ACTUAL SITE PHOTO



RED LOBSTER | ABSOLUTE NNN LEASED OFFERING

2328 COMMERCIAL WAY SPRING HILL, FL 34606

OFFERING MEMORANDUM Presented By:

JEFF GATES | SENIOR VICE PRESIDENT OF INVESTMENT SALES
T: 415.231.5231 E: jgates@thekasegroup.com BRE#01768554

In Cooperation with Local Broker:

TIM SHANE | MERIDIAN PROPERTIES INC.
T: 561.305.6015 E: tim@TimAShane.com BK 456564

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INVESTMENT OVERVIEW

Jeff Gates of The Kase Group is pleased to present this 7,695 square-foot Red Lobster for sale in Spring Hill, Florida. There are over 21 years remaining on the original lease with four, five year options to renew. The site benefits from its location on a major commercial thoroughfare, outparcel to a grocery center. There are rare 2% annual increases in rent. The tenant boasts long term tenancy at this location, tenant has been operating here for 28 years and this is the 2nd 25 year lease they've signed.



INVESTMENT HIGHLIGHTS

21+ YEARS REMAIN ON ABSOLUTE NNN LEASE

EXCELLENT HIGH TRAFFIC LOCATION

OUTPARCEL TO GROCERY CENTER

RARE ANNUAL 2% INCREASES

CREDIT TENANT WITH 704 LOCATIONS

ESTABLISHED TENANCY AT THIS LOCATION WITH A 28 YEAR OPERATING HISTORY

THIS IS THE SECOND 25-YEAR LEASE TENANT HAS SIGNED FOR THIS LOCATION

OFFERING SPECIFICATIONS

PRICE \$6,171,264

CAP RATE 5.15%

NET OPERATING INCOME \$317,820

SQUARE-FOOTAGE 7,695 SF

LOT SIZE 2.29 AC

YEAR BUILT 1994

FINANCIAL SUMMARY

RED LOBSTER | ABSOLUTE NNN LEASED OFFERING

2328 COMMERCIAL WAY SPRING HILL, FL 34606

\$6,171,264

5.15% CAP

FEE SIMPLE OWNERSHIP

SUMMARY

TENANT NAME	RED LOBSTER
SQUARE FOOTAGE	7,695
LEASE BEGINS	10/28/2015
LEASE ENDS	7/31/2039
ANNUAL RENT	\$317,820
OPTIONS	FOUR, 5 YEAR
INCREASES	2% ANNUALLY

*BASED ON THE INCREASE IN AUGUST OF 2018. SELLER
WILL CREDIT BUYER DIFFERENCE BETWEEN NOW AND CLOSING

OPERATING SUMMARY

	NET OPERATING INCOME	CAP RATE
CURRENT	\$317,820.00	5.15%
AUGUST 2019	\$324,176.40	5.25%
AUGUST 2020	\$330,659.93	5.36%
AUGUST 2021	\$337,273.13	5.47%
AUGUST 2022	\$344,018.59	5.57%
AUGUST 2023	\$350,898.96	5.69%
AUGUST 2024	\$357,916.94	5.80%
AUGUST 2025	\$365,075.28	5.92%
AUGUST 2026	\$372,376.78	6.03%
AUGUST 2027	\$379,824.32	6.15%
AUGUST 2028	\$387,420.81	6.28%

LEASE ABSTRACT

BASIC TERMS

TENANT	RED LOBSTER
GUARANTOR	RED LOBSTER INTERMEDIATE HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY
BUILDING SIZE	7,695 SF
LOT SIZE	2.29 AC
ADDRESS	2328 COMMERCIAL WAY SPRING HILL, FL 34606
LEASE START	OCTOBER 28, 2015
LEASE END	JULY 31, 2039
RENEWAL OPTIONS	FOUR, 5 YEAR
INCREASES	2% ANNUALLY

OBLIGATIONS

LANDLORD OBLIGATIONS	NONE (ABSOLUTE NNN)
TENANT OBLIGATIONS	<ul style="list-style-type: none"> •TENANT SHALL REIMBURSE LANDLORD FOR TAXES ASSESSED. •TENANT SHALL, AT ITS OWN COST AND EXPENSE, KEEP AND MAINTAIN IN GOOD REPAIR THE PREMISES, ALL BUILDINGS AND IMPROVEMENTS. •TENANT SHALL, AT ITS SOLE COST, MAINTAIN 1) COMMERCIAL GENERAL LIABILITY INSURANCE, 2) ALL RISK POLICY. •TENANT TO PAY DIRECTLY ALL UTILITIES USED ON THE PREMISES.

RENT SCHEDULE

PERIOD (YEARS)	MONTHLY RENT	ANNUAL RENT	RENT/SF
CURRENT	\$26,485.00	\$317,820.00	\$41.30



TENANT OVERVIEW



RED LOBSTER

Red Lobster Hospitality LLC is an American casual dining restaurant chain headquartered in Orlando, Florida. The company has operations in Canada, Malaysia, Saudi Arabia, the United Arab Emirates, Qatar, Mexico, and Japan, in addition to the United States. As of February 24, 2013, the company had 705 locations worldwide. Golden Gate Capital has been Red Lobster's parent company since it was acquired from Darden Restaurants on July 28, 2014.

On August 6, 2014, Red Lobster announced their new headquarters location in CNL Center City Commons in Orlando. On March 6, 2015, Red Lobster officially opened the Restaurant Support Center.

The first Red Lobster restaurant was opened on January 18, 1968, in Lakeland, Florida, by entrepreneurs Bill Darden and Charley Woodsby. The oft-quoted date of March 1968 is based on the March 27, 1968 incorporation of Red Lobster Inns of America, Inc. (now GMRI, Inc.) in the Florida Secretary of State's Office.[9] Originally billed as a "Harbor for Seafood Lovers", the first restaurant was followed by four others throughout the southeast United States. In 1970, General Mills acquired Red Lobster as a five-unit company. With new backing, the chain expanded rapidly in the 1980s.

Red Lobster entered Canada in the 1980s, in many cases by buying Ponderosa restaurant locations. The company generally maintains between 25 and 30 locations in Canada, the bulk in larger urban centres in Ontario (across southern Ontario plus one in Sudbury in northern Ontario) with a smaller number in larger urban centres in all three Prairie provinces. It exited the Quebec market in September 1997 due to financial losses, and never attempted to enter the market in British Columbia



PRIVATELY
HELD



705
LOCATIONS



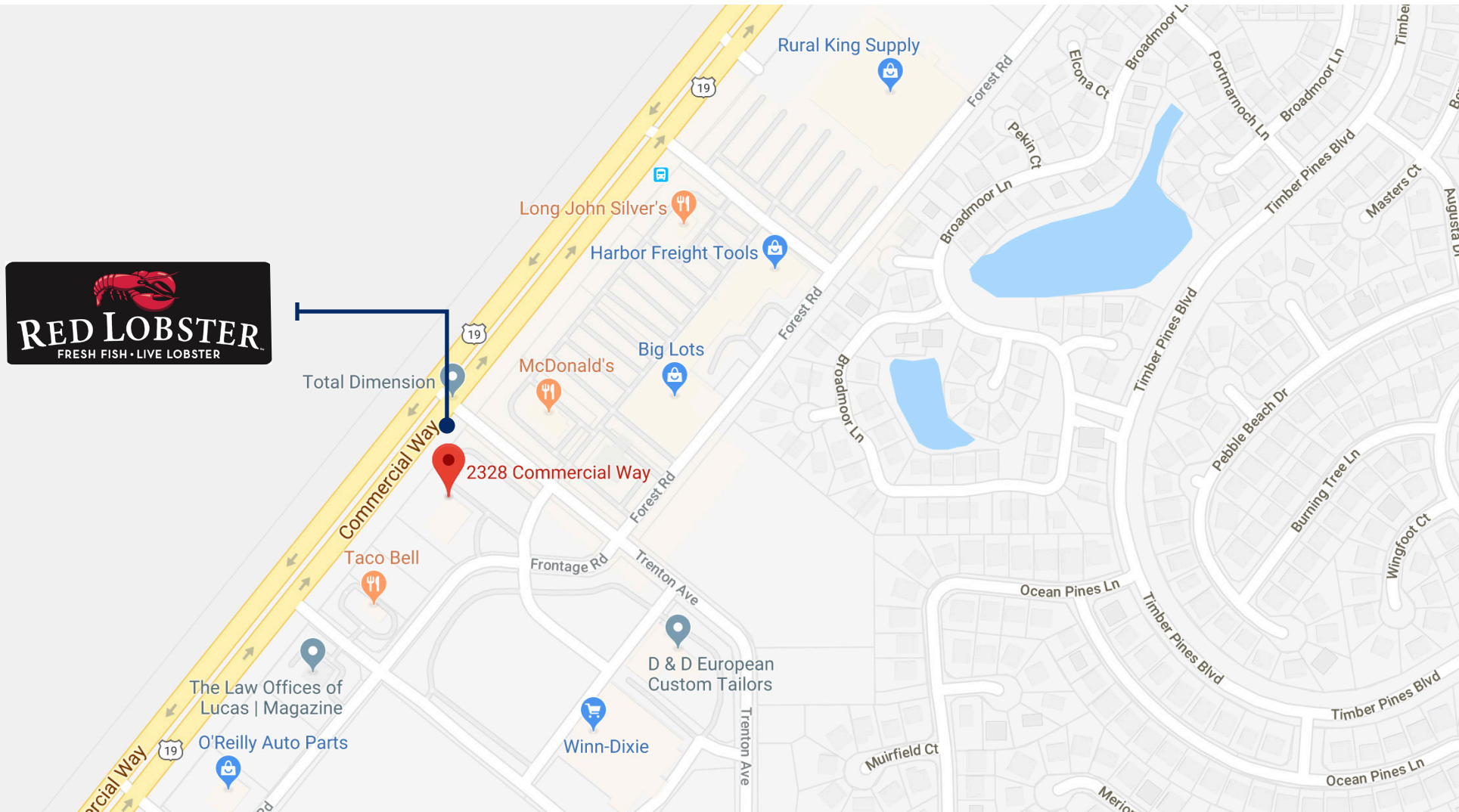
58,000 +
EMPLOYEES

LOCATION AERIAL



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	3,879	33,367	66,026
TOTAL NUMBER OF HOUSEHOLDS	1,883	15,233	29,082
AVERAGE HOUSEHOLD INCOME	\$48,208	\$52,591	\$53,731
MEDIAM AGE	54.70	50.20	48.10



AREA OVERVIEW

SPRING HILL, FLORIDA

Spring Hill is a census-designated place in Hernando County, Florida. The population was 98,621 at the 2010 census, up from 69,078 at the 2000 census. The American Community Survey estimated the population in 2015 to be 103,197. Spring Hill belongs to Florida's Nature Coast region and is in the Tampa-St. Petersburg-Clearwater metro area. It is east of Hernando Beach, southwest of Brooksville, and north of Tampa.

Spring Hill is located in southwestern Hernando County. It is bordered to the west by Timber Pines; to the north by Weeki Wachee, North Weeki Wachee, High Point, Brookridge, and Wiscon; and to the east by South Brooksville, Garden Grove, and Masaryktown. To the south it is bordered by Shady Hills and Heritage Pines in Pasco County.

DEMOGRAPHICS

1 MILE

3 MILES

5 MILES

TOTAL POPULATION

3,879

33,367

66,026

TOTAL NUMBER HOUSEHOLDS

1,883

15,233

29,082

TOTAL NO. PERSONS PER HOUSEHOLD

2.10

2.20

2.30

AVERAGE HOUSE VALUE

\$106,093

\$121,567

\$126,704

AVERAGE HOUSEHOLD INCOME

\$48,208

\$52,591

\$53,731

MEDIAN AGE

54.70

50.20

48.10

WHITE

3,652

31,014

60,917

BLACK

136

1,196

2,618

AM. INDIAN & ALASKAN

12

147

305

ASIAN

35

362

843

HAWAIIAN & PACIFIC ISLAND

2

33

53

OTHER

42

614

1,289



SPRING HILL | FLORIDA



The Kase Group

WWW.THEKASEGROUP.COM

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